

Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

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FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF SECRETARY

In the Matter of )  
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Implementation of Section 9 )  
of the Communications Act )  
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Assessment and Collection of )  
Regulatory Fees for the 1994 )  
Fiscal Year )

MD Docket No. 94-19

COMMENTS

The National Exchange Carrier Association, Inc. (NECA) submits these Comments in response to the Commission's March 11, 1994, Notice Of Proposed Rulemaking.<sup>1</sup> The Notice seeks comment on proposed procedures to assess and collect annual regulatory fees, as required by the Omnibus Reconciliation Act of 1993.<sup>2</sup>

Section 9 of the Communications Act of 1934 authorizes the Commission to assess and collect annual regulatory fees to recover costs incurred in carrying out its enforcement, policy and rulemaking activities, user information services, and international activities.<sup>3</sup> The Commission's goals in this proceeding are to

<sup>1</sup> Implementation of Section 9 of the Communications Act, Assessment and Collection of Regulatory Fees for the 1994 Fiscal Year, Notice of Proposed Rulemaking, FCC 94-46, MD Docket No. 94-19, released March 11, 1994 (Notice).

<sup>2</sup> Pub. L. No. 103-66, Title VI, § 6002(a), 107 Stat. 397 (approved August 10, 1993). The new Section 9 of the Communications Act is codified at 47 U.S.C. § 159.

<sup>3</sup> Notice at para. 1.

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ensure that the fee collection process does not have an adverse impact on its regulatory activities; that fees are collected and deposited in the most effective manner possible; and that fees impose little or no additional paperwork burden on the public.<sup>4</sup>

Although the Commission's Notice has requested comment on a variety of proposals, NECA will limit its Comments to implementation of fee payments for exchange carrier (EC) pool members. NECA also could provide assistance to non-pooling ECs and other entities regulated by the Common Carrier Bureau.

The Notice proposes to initially impose the Congressionally-suggested fee amounts on ECs (\$60/1000 access lines).<sup>5</sup> This fee would be collected either on one date for the government's fiscal year 1994 (commenced on Oct. 1, 1993 and ends on Sept. 30, 1994) or on two installment dates depending on the carrier's size.<sup>6</sup>

In the interest of providing administrative service for both the Commission and ECs, NECA proposes to process the regulatory fee obligations on behalf of its pooling ECs. NECA would be able to aggregate the payment amounts for its pooling member companies<sup>7</sup> and remit a combined payment to the Commission. Payment would be based

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<sup>4</sup> Id. at para. 2.

<sup>5</sup> Id. at para. 89.

<sup>6</sup> Id.

<sup>7</sup> NECA filed its 4/1/94 common line tariff on behalf of almost 1000 telephone companies.

on a total of about 8 million access lines.<sup>8</sup> As tariff filing agent for its pool members, NECA files one tariff (with one filing fee) for Commission review and files one pleading in numerous proceedings before the Commission. One aggregated payment on behalf of NECA pool members would therefore be in keeping with the Commission's concern about reasonably relating specific regulatory fee multipliers to the benefits provided to the regulatees.<sup>9</sup>

A monetary fee threshold should not be a factor in determining installment eligibility in this case, since NECA could eliminate almost 1000 transactions.<sup>10</sup> NECA proposes that it could provide the Commission with payment utilizing whatever installment options are adopted. In NECA's case, the \$50 installment fee should be assessed for total pool installments not on a per-company basis.

NECA has a great deal of administrative experience with individual telephone company financial transactions. It aggregates cost, revenue, investment and demand data monthly, and determines net payment amounts for its pool members through the settlements process. The computer programs and facilities needed for processing financial data are in place. With some minor

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<sup>8</sup> The number of access lines has been obtained from the February 1994 NECA Monthly Settlement Report. This figure could be lower when a determination is made as to what companies will be exempt from paying the fees, e.g., government owned or non-profit ECs. See Notice at paras. 11-16.

<sup>9</sup> Notice at para. 78.

<sup>10</sup> The Commission has suggested that \$700,000 in fees would be a logical cut-off point for installments. Even though the NECA pool would pay less than that amount, it would be in the public interest for NECA to pay on an installment basis. See Notice at para. 89.

adjustments, these can be adopted to the regulatory fee function. NECA involvement would enhance efficiency by reducing paperwork, requiring fewer checks to be processed, and in addition, by relieving the ECs of new administrative duties. Since NECA already acts as the pooling company agent for interstate rate, tariff and docket representation related to access charges, this function appears to be a logical service for it to perform.

NECA believes the FCC should specify the use of an annual access line count that is already conducted and verified by the EC industry. A clarification that the FCC "access line" count is the same as the USF loop count specified in Section 36.611(a)(8) would assure that access line counts are done on a uniform basis. NECA also recommends that this annual count coincide with the schedule for the USF loop count data collection. NECA believes that processing regulatory fee payments on behalf of its pooling ECs would be advantageous to them as well as the FCC.<sup>11</sup>

If the Commission sees this centralized fee function as desirable, it may also be possible for NECA to perform similar services for non-pool ECs or other common carrier entities. As interest or needs are identified, NECA would analyze the requirements, determine feasibility, and inform the Commission of its recommendations.

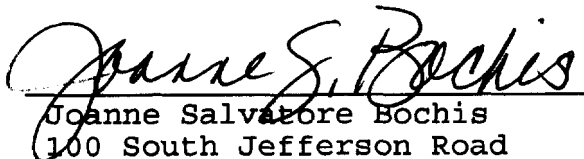
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<sup>11</sup> NECA envisions its initial responsibilities as being limited to the regulatory fees associated with access lines per exchange carrier. ECs having subsidiary entities performing radio, mobile, or other services that incur fees, would retain responsibility for direct fee payments as part of their licensing obligation.

In conclusion, NECA requests that the Commission adopt final rules in this proceeding that allow NECA to aggregate fees on behalf of its member companies and perform one payment transaction on an installment basis. NECA's proposal furthers the Commission's goals of ensuring that fees are collected and deposited in a most efficient manner.

Respectfully submitted,

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April 7, 1994